

**CALIFORNIA STUDENT AID COMMISSION**  
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**AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS  
REGARDING STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION  
(SNAPLE) – (EDUCATION CODE 69616 *et seq.*)**

**INITIAL STATEMENT OF REASONS**

**INTRODUCTION**

Chapter 73 of the Statutes of 2005 enacted the State Nursing Assumption Program of Loans for Education (SNAPLE) in Education Code sections 69616-69616.7. This program authorizes CSAC to make payments for student loans on behalf of program participants who took out those loans to finance their graduate nursing education. The loan payments would begin only after those program participants obtain their graduate nursing degrees and after they complete an academic year of full-time, or the part-time equivalent, teaching nursing in an accredited California college or university. The students are obligated to teach for three consecutive academic years of full-time teaching, or five consecutive years of part-time teaching, to receive up to \$25,000 in loan payments. CSAC is required to select participants in the program from nominees submitted by accredited colleges and universities. The Legislature's stated intent for this loan assumption program was that it "be designed to encourage persons to complete their graduate educations and serve as nursing faculty at an accredited California college or university." (Educ. Code, § 69616(c).) Recognizing the growing need for new faculty members in the nursing field at California's colleges and universities, the Legislature found that "the rising costs of higher education, coupled with a shift in available financial aid from scholarships and grants to loans, make loan repayment options an important consideration in a student's decision to pursue a graduate degree in nursing education." (Educ. Code, § 69616(b).)

The proposed regulations implement, interpret, and make specific the SNAPLE requirements established in Education Code sections 69616-69616.7.

The specific purpose of each adoption, and the rationale for the determination that each adoption is reasonably necessary to carry out the purpose for which it is proposed, together with a description of the administrative requirement or other condition or circumstance that each adoption is intended to address, is as follows:

**PROPOSED ARTICLE 16 – STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION**

**Section 30910 – Definitions**

This section defines the terms used in this Article.

Subsection (a) of section 30910 defines “academic year.” This definition is necessary to clarify and ensure uniformity for purposes of determining requirements for student enrollment in, and employment by, accredited California colleges or universities.

Subsection (b) of section 30910 defines “accredited college or university.” The definition specifies that a college or university attended by a student who applies to participate in the program must be accredited by a regional accrediting body, including six specifically-named regional accrediting bodies. This is necessary because Education Code section 69616.2(a) requires that students who apply for the program must receive a graduate degree from an accredited college or university. The six named regional accrediting bodies are recognized by the United States Department of Education.

Subsection (c) of section 30910 defines “accredited California college or university.” This definition clarifies that an accredited California college or university must have a location in California. This is necessary because Education Code section 69616.1(a)(2) requires a SNAPLE participant to teach in an accredited California college or university before CSAC can begin to make loan payments for the participant.

Subsection (d) of section 30910 defines “demonstrated academic ability” to mean academic standing consistent with the requirements for established by the accredited college or university for satisfactory progress toward graduation or the award of a graduate degree. This definition is necessary because Education Code section 69616.1(c) requires participants in SNAPLE to have demonstrated academic ability.

Subsection (e) of section 30910 defines “demonstrated financial need” to mean financial need determined under Article 1.5 (commencing with Section 69503) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, as required by Education Code section 69616.1(c). This definition is necessary because Education Code section 69616.1(c) requires participants in SNAPLE to have demonstrated financial need, as determined under the referenced article.

Subsection (f) of section 30910 defines “eligible noncitizen.” This definition is necessary because Education Code section 69616.1(a)(1) limits participation in SNAPLE to United States citizens or eligible noncitizens. The definition is similar to the definition used on the Free Application For Federal Student Aid (FAFSA). The FAFSA is used by students to obtain federal financial aid, including student loans issued by the Federal Family Education Loan Program (FFELP) and the Direct Lending Program. Since student loans obtained under both FFELP and the Direct Lending Program are eligible for payment under the SNAPLE program, using a similar definition for eligible noncitizen is more efficient and enhances clarity and consistency.

Subsection (g) defines “full-time” and “full-time basis” to mean full-time employment as determined by the employing accredited California college or university. This is necessary because Education Code sections 69616.1(b), 69616.1(c)(6), and 69616.3 require a SNAPLE participant to agree to teach in a California college or university on a full-time basis, or the equivalent of full-time, to qualify for loan payments by CSAC. California colleges and

universities have different standards by which they determine whether an employee is working full-time, and these standards apply for purposes of determining retirement and other employment rights. Rather than imposing a different definition solely for SNAPLE purposes, it is more efficient and is consistent with the SNAPLE law to accept the employing California college's or university's standard for full-time employment.

Subsection (h) of section 30910 "other natural causes" to mean a disease or physical or mental condition involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993. This is necessary to clarify Education Code section 69616.4(b), which provides that a SNAPLE participant who fails to fulfill his or her teaching commitment due to serious illness, pregnancy or other natural causes is to receive a deferral of the resumption of full liability for his or her student loans for up to one academic year.

Subsection (i) of section 30910 defines "part-time" and "part-time basis" to mean part-time employment as determined by the employing accredited California college or university. This is necessary because Education Code sections 69616.1(b) and 69616.1(c)(6) require a SNAPLE participant to agree to teach in a California college or university for the part-time equivalent of a full-time basis to qualify for loan payments by CSAC. California colleges and universities have different standards by which they determine whether an employee is working part-time, and these standards apply for purposes of determining retirement and other employment rights. Rather than imposing a different definition solely for SNAPLE purposes, it is more efficient, and not inconsistent with the purposes of SNAPLE, to accept the employing California college's or university's standard for part-time employment.

Subsection (j) of section 30910 defines "participating institution." This definition establishes that an accredited California college or university may submit, but is not required to submit, student nominees to participate in SNAPLE. This definition is necessary to clarify that colleges and universities may, but are not required to, submit nominations to CSAC, as authorized by Education Code section 69616.5(a). This definition also easily distinguishes references in the regulations to colleges or universities that have nominated students from references to colleges or universities that may employ those students to teach in nursing programs after the students receive their graduate degrees.

Subsection (k) of section 30910 defines "program" to mean SNAPLE. This simplifies the references to the program throughout the Article.

Subsection (l) of section 30910 defines "program participant" as a student who has a loan assumption agreement signed by both the student and the Commission. This is necessary to distinguish a participant who has been selected and has an executed agreement with the Commission for loan payments, from a student who has only submitted an application to his or her participating institution, and from a student who has been nominated to participate by a participating institution, but has not been selected by the Commission.

Subsection (m) of section 30910 defines “satisfactory academic progress” to mean academic standing consistent with the requirements of the accredited college or university for satisfactory progress toward the award of a graduate degree. This definition is necessary to clarify Education Code sections 69616.1(a)(3) and (c)(3), which require SNAPLE participants to agree to, and to maintain, satisfactory academic progress.

Subsection (n) of section 30910 defines “serious illness” to mean an illness involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993. This is necessary to clarify Education Code section 69616.4(b), which provides that a SNAPLE participant who fails to fulfill his or her teaching commitment due to serious illness, pregnancy or other natural causes is to receive a deferral of the resumption of full liability for his or her student loans for up to one academic year.

#### Section 30911 – Application to Participate in the Program

This section specifies the content of an application to participate in SNAPLE. This is necessary to provide student applicants and participating institutions with guidance on preparing the application, and to ensure that each application contains sufficient information for the participating institution to evaluate the applicant for nomination and for CSAC to determine whether to select the applicant for participation in SNAPLE.

Subsection (a) of section 30911 – This section requires personal information for each applicant that is necessary for CSAC to identify each applicant separately from any other applicant.

Subsection (b) of section 30911 – This section requires information for each applicant that is necessary to ensure that each applicant meets the eligibility requirements for SNAPLE participation established by Education Code section 69616.1(a).

Subsection (c) of section 30911 – This section requires information for each applicant that is necessary for participating institutions and CSAC to determine that each applicant satisfies the requirements for SNAPLE participation established by Education Code sections 69616.1(c)(2), (3), (5), and (6).

Subsection (d) of section 30911 – This section requires the student’s application to be dated and signed under penalty of perjury under the laws of the State of California. This is necessary to obtain information with a degree of reliability to justify the expenditure of State funds for making payments for the student’s student loans.

### Section 30912 – Nominations by a Participating Institution

This section specifies the obligations a participating institution must satisfy to nominate a student-applicant to participate in SNAPLE, as well as the content of the nomination submitted by a participating institution to CSAC.

Subsection (a) of section 30912 – This section is necessary to establish a participating institution's general obligation to comply with the procedures stated in this section to nominate a student to participate in SNAPLE.

Subsection (b) of section 30912 – This section specifies the content of a participating institution's nomination of a student to participate in SNAPLE. This is necessary to clarify the requirements for nominations of students to participate in SNAPLE, and to ensure compliance with the requirements of Education Code sections 69616.1(a) and (c)(1), (2), (3), and (4). This section is also necessary to ensure that each nomination contains sufficient information for CSAC to determine whether to select the applicant for participation in SNAPLE.

Subsection (c) of section 30912 – This section requires each nomination to be signed by the director of the participating institution's nursing program, or designee, under penalty of perjury. This section clarifies who must sign the nomination, and is also necessary to a degree of reliability to justify the expenditure of State funds for making payments for the student's student loans.

### Section 30913 – Award Process

This section governs the process by which CSAC will select participants for SNAPLE from the nominations submitted by participating institutions.

Subsection (a) of section 30913 – This section requires CSAC to follow the selection criteria listed in the section and establishes an annual deadline by which nominations must be submitted to CSAC. The section also provides that if a maximum allocation is not exhausted after the award process, CSAC may continue to accept nominations after the deadline and select program participants based on the date the nominations are received by CSAC. This section is necessary to clarify the selection process and to clarify that the selection from among nominated students may continue even after the completion of the initial award process.

Subsection (b) of section 30913 – This section specifies the criteria CSAC will apply to select participants in SNAPLE from among nominations submitted by participating institutions. This is necessary to provide students and participating institutions with guidance on preparing their applications and nominations, respectively, and to ensure that all nominations are considered under identical standards. This section is also necessary to clarify the criteria suggested by Education Code section 69616.5(b).

Subsection (c) of section 30913 – This section specifies that CSAC will select nominees with the highest point totals. This is necessary to clarify how the selection criteria will be used. The section also provides that in case of a tie, CSAC will select nominees based on the earliest date of receipt of the nomination by CSAC. This is necessary to provide clarity on how CSAC will choose from among equal scores when remaining awards are limited.

#### Section 30914 – Loan Assumption Agreements

This section governs the process and content of loan assumption agreements that will be provided to students upon their selections by CSAC to participate in SNAPLE.

Subsection (a) of section 30914 – This section requires CSAC to provide a loan assumption agreement to each student who has been selected to participate in SNAPLE, but specifies that the loan assumption agreement is not effective until it is signed by both the student and CSAC. This section is necessary to clarify that selection to participate in SNAPLE does not establish participation and that a signed loan assumption agreement is necessary for participation to be effective.

Subsection (b) of section 30914 – This section establishes the contents of the loan assumption agreement. This section is necessary not only to clarify the content of the agreement between the students who have been selected to participate in SNAPLE and CSAC, but also to inform those students about their obligations and the conditions under which CSAC is authorized to make loan payments. This section is also necessary to clarify Education Code sections 69616.1(c)(1), (3), and (6), and 69616.3.

Subsection (c) of section 30914 – This section provides that the term of the loan assumption agreement shall be no more than 10 years from the date signed by the program participant and CSAC. This is necessary to implement the requirement in Education Code section 69616.6, which requires CSAC's regulation to include a provision regarding the period of time for which a warrant shall remain valid.

Subsection (d) of section 30914 – This section establishes that the loan assumption agreement constitutes a conditional warrant that may be redeemed under conditions specified in section 30915. This section is necessary to clarify Education Code sections 69616.1(b) and 69616.9.

#### Section 30915 – Loan Payments

This section governs the process by which program participants may redeem their conditional warrants (loan assumption agreements) and CSAC may make loan payments on behalf of the program participants.

Subsection (a) of section 30915 – This section specifies the information that a program participant must provide to CSAC before CSAC can begin making loan payments. This section is necessary to clarify the requirements program participants must satisfy to obtain loan payments by CSAC, to ensure compliance with requirements in Education Code

sections 69616.2 and 69616.3, and to obtain information to identify each participant separately from every other participant and to enable CSAC to determine, process, and pay the appropriate amount of loan payment.

Subsection (b) of section 30915 – This section establishes that a program participant who teaches on a less than full-time basis is not eligible for loan payments until he or she teaches for the equivalent of a full-time academic year. This section is necessary to ensure that program participants are informed of their obligation specified by Education Code section 69616.1(c)(7).

Subsection (c) of section 30915 – This section specifies that loan payments are to be paid by in a lump sum, which is to be applied directly to the principal balance, that payments will first be made toward loans with the highest interest rates, and that program participants must continue to make payments as required under the terms of the loans to avoid defaulting on the loans. This section is necessary to clarify the method for loan payment by CSAC and to clarify program participants' continuing obligations on their loans.

#### Section 30916 – Failure to Comply with the Loan Assumption Agreement

This section specifies the consequences of a program participant's failure to comply with the requirements in the loan assumption agreement.

Subsection (a) of section 30916 – This section specifies that a program participant who fails to meet eligibility requirements specified in proposed section 30911(b)(1)-(5), and mandated by Education Code section 69616.1(a), or who fails to complete the required three consecutive academic years of teaching nursing studies on a full-time basis, or five consecutive academic years on a part-time basis, must repay any loan payments previously made by CSAC and retain responsibility for any remaining loan obligations. This section is necessary to clarify the consequences of a program participant's failure to satisfy the obligations included in the loan assumption agreement and to implement Education Code sections 69616.1(a) and 69616.4(a).

Subsection (b) of section 30916 – This section establishes that a deferral, in the form of a delay of one academic year in the obligation to repay CSAC for prior loan payments, is available to a program participant who fails to satisfy the obligations included in the loan assumption agreement due to serious illness, pregnancy, or other natural causes. This section is necessary to clarify the deferral provided in Education Code section 69616.4(b).

#### Section 30917 – Development of Projections for Funding Purposes

This section is necessary to implement the requirement in Education Code section 69616.6 that CSAC include in its regulations provisions for the development of projections for funding purposes.